THE A.W. MELLON EDUCATIONAL AND CHARITABLE TRUST

Founded in 1930 by Andrew W. Mellon

A REPORT OF ITS WORK

FOR THE YEAR 1967

efforts through grants to numerous public and private organizations devoted to planning, renewal, conservation, and cultural affairs.

In 1958, the Trustees decided to cease making appropriations and grants out of principal, to stabilize the principal of the Trust at approximately $20,000,000, and to make future grants only out of income.

In carrying out its grant-making function, the Trust endeavors to apply certain principles and policies.

First, grants are concentrated in the Pittsburgh area. The Pittsburgh needs continue to grow so continuously and urgently that it has been necessary to confine recent grants more narrowly to the city itself.

Second, as early as 1950, the Trust emphasized that grants would not be made to institutions or programs which have a sound basis for support from the general public or from some segment of the public. Foundation grants account for only g% of the nation's charitable budget and are necessarily limited. They cannot replace the need for broad support from the living community.

Third, grants are conceived as *enabling.* This is to say, they are intended to enable creative leadership in the community affairs of the Pittsburgh area to demonstrate and develop improved and more effective patterns of operation. Such innovative funds are seldom available from the normal sources upon which public and civic agencies depend.

Fourth, since 1959, the Trust's grant program has

placed
emphasis on the following four fields:

EDUCATION: with special reference to the humanities and liberal education, and to the quality of education for the talented in the public schools

THE ARTS:	an interest in the fine arts, drama, music, architecture, poetry, and the cultural aspects of the
CONSERVATION:	the preservation of natural areas for the people in perpetuity; the streams and forests, strategic open
PLANNING:	those acts of civic forethought by which a community takes command of its own future, seizing its oppor

There follows a complete list of grants paid during 1967, together with relevant financial statements and the investment portfolio as of December 31,1967.

Since its establishment in 1930, the Trust has appropriated $163,216,344 for philanthropic purposes.

THE A. W. MELLON EDUCATIONAL AND CHARITABLE TRUST

SUMMARY OF GRANTS

January 1 to December 31,1967

PITTSBURGH PLAYHOUSE SCHOOL OF THE THEATER

Third and fourth payments under a 1966 grant of $450,000 for the support of a professional theater program $150,0

UNIVERSITY OF PITTSBURGH

Third payment under a 1965 grant of $250,000 to increase the library collections in the areas of the Andrew Mellon Professorship and Fellowship Program $ 50,000

To the Graduate School of Public and International Affairs:

Fourth payment under a 1964 grant of $125,000 to establish a series of Western European Fellowships $25,000

Fourth and final payment under a 1964 grant of $24,000 to the Institute of Local Government for a four-year program of extension education for local officials 6,000 31,000

For refurbishment of the English Classroom 15,000

UNIVERSITY OF PITTSBURGH *(continued)*		5 15,000
Eighth and final payment under a 1959 grant of §400,000 to develop a Department of Preventive Medicine which would integrate preventive and comprehensive care concepts into all phases of the School of Medicine curriculum		10,000
		6,000
Fourth payment under a 1964 grant of §262,000 for the continuation of the research activities of Dr. R. A. McConnell in the field of psychological physics		2,000
		§100,000
Fifth and final payment under a 1961 grant of §30,000 to support a cooperative lectureship between the British-American Associates and the University of Pittsburgh		20,000
Third and final payment under a 1965 grant of §10,000 to subsidize the *American Philosophical Quarterly* for a period of three years to enable it to become self-supporting		
THE PITTSBURGH SYMPHONY SOCIETY		
First payment under a 1966 grant of §500,000 toward an Endowment Fund to be created to match the Ford Foundation grant of §2,000,000		
Second payment under a 1966 grant of §76,000 for operating expenses		
MOUNT MERCY COLLEGE		
Third and final payment under a 1964 grant of §293,550 for a three-year development study		
CARNEGIE LIBRARY OF PITTSBURGH		
Payments under a 1966 grant of §325,000 for the administration and operation of a Poetry Center		§129,000
To the International Poetry Center for support of the publication of an Anthology of Modem Russian Poetry		
To the International Poetry Center to establish an Art Poster Fund		120,000
	$ 5,00	76,04
[Hl	65,0	00,50

CARNEGIE INSTITUTE		
For the 1967 Pittsburgh International Exhibition of Painting and Sculpture		§ 50,000
METROPOLITAN PITTSBURGH EDUCATIONAL TELEVISION STATION WQED		
Final payment under a 1966 grant of §100,000 toward a capital fund and development project for the construction of a new building and for staff and program development		50,000
WESTERN PENNSYLVANIA CONSERVANCY		
Fifth and final payment under a 1963 grant of §135,000 toward a five-year extension of the program of administrative development of a regional project of land acquisition, conservation education, and planning		25,000
PITTSBURGH OPERA, INC.		
For operating funds for the 1967-1968 season		25,000
UNIVERSITY OF PENNSYLVANIA		
To the Foreign Policy Research Institute, first payment under a 1967 grant of §75,000 for research in Atlantic Studies		25,000
CHATHAM COLLEGE		
Second payment under a 1966 grant of §120,000 for the enrichment of the library by purchase of books and periodicals	§20,000	
For continuation of a program of support of a Pittsburgh Fund for Negro Students in cooperation with the National Scholarship Service and Fund for Negro Students, New York, New York, and with the University of Pittsburgh and Carnegie Institute of Technology	1,000	21,000
ACTION-HOUSING, INC.		
Fifth and final payment under a 1963 grant of §50,000 for the support of the Neighborhood Urban Extension Program		10,000

THE ATLANTIC COUNCIL OF THE UNITED STATES, INC. Second payment under a 1966 grant of $25,000 for the benefit of the Atlantic Institute	5
NATIONAL SCHOLARSHIP SERVICE AND FUND FOR NEGRO STUDENTS For scholarship aid	10,000
AMERICAN INSTITUTE OF PLANNERS PITTSBURGH REGIONAL CHAPTER For support of the National Conference of the Institute of Planners, held in Washington, D.C., in October, 1967	6,000
AMERICAN WIND SYMPHONY ORCHESTRA For operating expenses of the Orchestra for 1967	5,000
NEGRO EDUCATIONAL EMERGENCY DRIVE For scholarship funds	5,000
HE VANGUARD THEATER PROJECT For operating funds for the 1967-1968 season	5,000
ARTS AND CRAFTS CENTER OF THE CITY OF PITTSBURGH Third and final payment under a 1965 grant of $24,000 for administrative staff salaries	5,000
CARNEGIE INSTITUTE OF TECHNOLOGY For continuation of a program of sup port of a Pittsburgh Fund for Negro Students in cooperation with the Na tional Scholarship Service and Fund for Negro Students, New York, New York, and with the University of Pitts burgh and Chatham College	4,000
NATIONAL GALLERY OF ART Second payment under a 1966 grant of $q 000 for continuation of an art educa tion program in the Pittsburgh Public Schools	3,000
MISCELLANEOUS	3,000
TOTAL	15,000
	$848,450

SUMMARY OF GRANTS

1967

	Unpaid Jan.1,1967	Appropriation	Payments	Unpaid Dec. 31,1967
Education	$ 845,000	$113,836	$359,286	$ 567,000
/Arts	1,251,000	79,350	446,350	884,000
EPlanning	1,400,300	3O,358	16,814	1,413,844
(Conservation	26,000	0	26,000	0
	$3,522,300	$223,544	$848,450	$2,864,844

••$599.55° minus $32,550 rescinded in 1967

1930-1967

	1930-1966	1967	1930-1967
	$ 79,081,732		
	§ 16,387,562		
	5,385,000		
	4,211,250		
			11,050,000
	2,831,156		
National Gallery of Art	§ 39,864,968		
University of Pittsburgh:			
Graduate School of Public Health	$ 12,896,829		
khool of Medicine			*$ 5>137>5°°*
her Health Center Grants	692,343		
drew Mellon Professorships, etc.			
ter University Grants	$ 5,829,843		
	$ 4,189,866		
dellon Institute of Industrial Research	$ 2,171,865		1967 1930-1967
Catham College	$ 3,768,354		
	3,199,643		
Mellon Square Park	2,079,273		
	819,000		
Other Grants:	780,950		
Education	725,486		
Arts			
Planning			
Conservation			
Religion			
Health and Medicine			
War Relief			
General Charities			

Carnegie Institute of Technology:
College of Fine Arts Endowment, etc.
Other Charities

835,000

3,260,541

§ 15,467,947

§ 3,000 S 79,084,75

$ 15,000	$ 16,387,565,4OO,0C
50,000	4,2H,25 ll,lOO,0C
§129,75 °	§ 39,994*7!
$ 3,850	$ 12,900,67
§ 4,50	§ 696,84
	§ 5,[8]34,34
$ 21,000	$ 4,210,86
	$ 2,171,86

$204,036 $ 3,972,39
439,5°° 3»639«H
16,814 2,096,08
26,000 845,00
780,95.
725,18!
835.0a
3,260,54
$686,350 $ 16,154,297

?i59,5°3'°5°

Total Payments [18] $ 3,522,300 $848,450 5160,351,50c

Unpaid Appropriations S 2,864,841

Total Payments and Unpaid $163,025,35 §163,216,341

Appr opri a t ion s 0 [18)

FINANCIAL STATEMENTS

THE A. W. MELLON
EDUCATIONAL AND CHARITABLE TRUST

Balance Sheet as of December 31,1967

ASSETS

Cash		$ 109.23
Purchased interest receivable		1,039
Investments (at fair values at dates of acquisition or at cost):		
United States Government obligations (quoted market value $2,621,142)	$2,757, 954	
her bonds (quoted market value >5,427,288)	6,436,458	
jmmon stocks (quoted market value $16,798,778)	9,766,303	
Land and coal properties	86,756	
Total investments		19,047,471
Prepaid expense		14,98!
		$19,17 2,724

PRINCIPAL

Appropriated for contributions	
Unappropriated balance	16,307,880
	$19,17 2,724

The quoted market value of securities at December 31, 1967 is §5,886493 in excess of the book carrying value.

Office equipment and furnishings with a cost value of $33,125 became fully depreciated in 1962.

THE A. W. MELLON

EDUCATIONAL AND CHARITABLE TRUST

Statement of Income and Changes in Principal Account
Year ended December 31,1967

Income:		
Interest on United States Government	$108,426	
Interest on other bonds	321,164	
Dividends	533»°9[6]	
Income from operations of real estate and coal properties	2,127	
	964,813	
Less—Investment and real estate expenses	20,99[6]	
Total income, less investment and real estate expenses		S 943-[81]7
General and administrative expenses:		
Salaries	46,467	
Provision for employees' pensions	33,°°8	
Legal and accounting fees	3-95°	
Travel and incidental expenses	4.256	
Office rent and building expenses	9.[8]36	
Office supplies and expenses	6,892	
Other services	1.294	
		105,7
Net income for the year		838,1 14
Contributions made from income		848.4
Excess of contributions from income over net income for the year, charged to principal		(10.3
Principal balance, January 1, 1967		18,655,812
Gain (net) on disposal of investments		527.2 48
Principal balance, December 31, 1967		$19.172.724

THE A. W. MELLON
EDUCATIONAL AND CHARITABLE TRUST

Investments as of December 31,1967

FIXED INCOME SECURITIES	Face amount		Book value	Quoted market
United States Government Obligations:				
Treasury Notes:	§ 300,000	I	298,969	§
5[1]/4%» due November 15, 1968	50,000		49,812	298,875
4^4%, due February 15, 1972				47,906
Treasury Bonds:				
4%, due August 15, 1972	150,00		149,437	139,
4%, due August 15,1973	0		197’781	594
3%%, [du]e November 15, 1974	200,00		295,5°°	183
4^%, due August 15, 1992	0		288,938	,75[o]
	300,00			269
Federal National Mortgage Associa				
tion Participation Certificates:	500,00		500,000	500,
4.70%, due December 1, 1977	0		500,000	000
5[3]/4%, due June 23, 1981	500,00			457
Farmers Home Administration Notes,				
35-Year issue, 5^4%,	477,51		477,51	477,
due July 7, 2001	7	7		517
				§2,621
Other Bonds:				
Railroad Equipment Trust				
Southern Pacific Company,				
4[1]/4%J[anuar]y [J]97i	$ 100,000	1	95,175	§
				§ 367,193
				448,500
$ Missouri Pacific Railroad Company,	§ 500,000		815,693"	.,
				378,500
414%, ist Mtge., January i, 2005	400,00			
Virginian Railway Company	0			

Railroad:

THE A. W. MELLON EDUCATIONAL AND CHARITABLE TRUST

Investments as of December 31,1967

FIXED INCOME SECURITIES	Face amount	Book value	Quoted market value
•Other Bonds *(Continued):*			
Public Utility:			
South Carolina Electric & Gas Co.,			
November i, 1987	§ 410,000	§ 410,000	§ 358’258
Quebec Hydro Electric			
5% Deb., February 15,1988	203,000	199,448	161,957
British Columbia Electric Co.,			
5½% 1st Mtge., March 1, 1989	500,000	506.391	415,000
General Telephone Co. of			
5%, 1st Mtge., December 1, 1995	300,000	300,929	239’250
43%% Deb., June 1, 1998	300,000	301>87	235’5° °
Public Service Electric & Gas Co.,			
6% Deb., July 1, 1998	88,000	104,760	82,940
Southern Bell Telephone & Telegraph Co.,			
4^4% Deb., September 1, 2000	300,000	303,600	239.25°
	§2,101,000	§2,127,003	$1.732.155
Industrial:			
5^4% Deb., December 1, 1977	§ 200,000	§ 216,088	§ 179.750
Westinghouse Electric			
y_2% Deb., December 15, 1981	220,000	198,000	161,700
American Brake Shoe Company,			
414% Deb., February 1, 1982	200,000	205,750	156,000
Sinclair Oil Corporation,			
43%% Conv. Sub. Deb., December 1,1986	300,000	292,809	321,000

THE A. W. MELLON
EDUCATIONAL AND CHARITABLE TRUST

Investments as of December 31, 1967

FIXED INCOME SECURITIES	Face amount	Book value	Quoted market value
Other Bonds *(Continued*			
Industrial *(Continued)'.*			
Phillips Petroleum Company, 414 % Conv. Sub. Deb., February 15,1987	$ 150,000	$ 153,408	$
Gulf Oil Corporation, 5.35% Deb., June 15, 1991	300,00	300,00	26
	$1,370,000	$1,366,05 5	? b25[8].7[M]
Finance:			
General Motors Acceptance Corp., 314% Deb., June 15, 1975	$ 200,000	$ 169,645	$
Montgomery Ward Credit Corp., 514% Sub. Deb., February 1,	300,00	301,50	24
C.I.T. Financial Corporation, 454% Deb., May 1, 1989	300,00	297'75	22
Chase Manhattan Bank, 4.60% Capital Notes, June 1,	300,00	299-	23
FirstNational City Bank of New York, 4% Conv. Capital Notes,	300,00	S^-	26
Household Finance Corporation, 4%% Deb., September 15, 1993	300,00	298,50	22
	$1,700,000	$1,680,14 5	$1,362, 895
Miscellaneous:			
Municipality of Metropolitan Toronto, 514% Deb., March 2, 1979	$ 350,000	$ 352.387	$
	$6,521,000	$6,436,45 8	$5,427, 288

THE A. W. MELLON
EDUCATIONAL AND CHARITABLE TRUST

Investments as of December 31,1967

COMMON STOCKS	Share	Book value	Quoted market value
Electrical Equipment:			
Hewlett-Packard Company	12,00	3 453.458	$
Westinghouse Electric Corporation	21,00	348,6	1,470,00
		$ 802,104	$
Public Utility:			
American Natural Gas Company	9.075	$ 200,603	? 328,969
Central and South West Corporation	7,000	244.5	325.5
General Public Utilities Corporation	10,81	316,5	297.4
Ohio Edison Company	16,00	3O4.9	404,0
Public Service Electric & Gas Company	10,00	312,4	328,7
Virginia Electric & Power Company	6,000	159.2	261,7
		$	3
Oil:			
Gulf Oil Corporation	25,00	3 79.825	$
Bank and Finance:			
Bank of the Southwest, N. A.	4,830	$ 203,202	$
First National Bank of Boston	3,0	188,	164,
Mellon National Bank and Trust	5.!	298,0	334.
C. I. T. Financial Corporation	8,0	286,4	262,
Household Finance Corporation	14,00	244.	435.
Southeast Bancorporation, Inc.	4,000	120,	136,
Western Bancorporation	10,00	333.	280,
		$	3
Miscellaneous:			
General Foods Corporation	3,000	3 255,174	3
Motorola, Inc.	2,200	2394	257.
North American Rockwell Corporation	5,880	223,097	235.
J. C. Penney Company	3	196,015	197.
Time, Incorporated	4,0	413.	389.
Weyerhaeuser Company	8,000	318,	315,
		$	$

THE A. W. MELLON
EDUCATIONAL AND CHARITABLE TRUST

Investments as of December 31,1967

COMMON STOCKS *(Continued):*	Shares	Book value	Quoted market valu
Office Equipment:			
International Business Machines	1,366 $	121,8	§
National Cash Register Company	2,100	150,2	279,300
Xerox Corporation	1,400	416,970	42
	L	689,078	$
Metals—Nonferrous:			
aluminum Company of America	10,000 $	130,8	S
temational Nickel Company ?f Canada, Ltd.	5,000	459’457	58
	L	590’29.	3
comobile and Truck:			
Ford Motor Company	8,000 $	264,551	§
General Motors Corporation	8,870	113’!	72
		377’743	3
Glass:			
Owens-Coming Fiberglas Corporation	4,000 §	318,798	§
Pittsburgh Plate Glass Company	10,200	186,5	66
	£_	505’299	§
Drug:			
Sterling Drug, Inc.	7,500 $	299’592	3
G. D. Searle & Company	6,000	344,112	34
	L	643’704	3
Miscellaneous Equipment:			
Ex-Cell-0 Corporation	14,000 $	275’695	3
Steel:			
United States Steel Corporation	6,000 $	3i5’46o	3
Youngstown Sheet and Tube Company	6,000	144,9	18
	L_	460,372	3

THE A. W. MELLON
EDUCATIONAL AND CHARITABLE TRUST

Investments as of December 31,1967

COMMON STOCKS *(Continued):*	Shar	Book value	Quoted marke
Insurance:			
General Reinsurance Corporation	1,0	S 283,708	S
Hartford Fire Insurance Company	5,1	133.875	116,662
		§ 417.583	$
Agricultural Equipment:			
Deere and Company	3,000	§ 66,529	§
		§ 9,766,303	$16,798,778

SUMMARY

Fixed Income Securities:		
United States Government Obligations	§	$
Other Bonds	6,436.4	5,427.^
	§	$
Common Stocks	9,766,	16,798,7
	$18,960,715	$24,847,208

TO THE TRUSTEES *OF*

THE A. W. MELLON EDUCATIONAL *AND* CHARITABLE TRUST

JLN OUR OPINION, the accompanying balance sheet and related statement of income and changes in principal account present fairly the financial position of The A. W. Mellon Educational and Charitable Trust at De cember 31, 1967 and its income and changes in principal account for the year, in conformity with generally accepted accounting principles ap
plied on a basis consistent with that of the preceding year. Our examina tion of these statements was made in accordance with generally accepted
auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in
the circumstances, including confirmation of the securities owned at De cember 31, 1967 by correspondence with the custodian.

We have heretofore examined the accounts of the Trust for the period
from its inception, December 30, 1930 to December 31, 1966, and have
previously reported upon the financial statements annually during
such period.

PRICE WATERHOUSE & CO.

Pittsburgh, Pa.
March 13> 1968